

BEFORE THE
PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

| | | |
|--|---|-----------------------|
| In the Matter of Application of |) | |
| |) | |
| Allied Wireless of the Palmetto State, LLC |) | |
| d/b/a U-Lifeline Wireless |) | DOCKET NO. 2012-133-C |
| |) | |
| For Designation as an Eligible |) | |
| Telecommunications Carrier for the |) | |
| Limited Purpose of Offering Lifeline |) | |
| Service to Qualified Households |) | |

PREFILED DIRECT TESTIMONY OF ROHAN RANARAJA
SUBMITTED BY
ALLIED WIRELESS OF THE PALMETTO STATE, LLC
d/b/a U-LIFELINE WIRELESS

1 **Q. PLEASE STATE YOUR NAME, PLACE OF EMPLOYMENT AND BUSINESS ADDRESS.**

2 A. My name is Rohan Ranaraja. I am employed by Allied Wireless Communications Corporation
3 ("Allied Wireless") as Director of Regulatory Compliance. My business address is 1001
4 Technology Drive, Little Rock, Arkansas 72223.

5 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

6 A. The purpose of my testimony is to discuss the qualifications of Allied Wireless of the Palmetto
7 State, LLC d/b/a U-Lifeline Wireless ("U-Lifeline Wireless") to be designated as an Eligible
8 Telecommunications Carrier ("ETC") for the purpose of receiving federal universal service
9 "Lifeline" support from the low income fund.

10 **Q. PLEASE DESCRIBE U-LIFELINE WIRELESS.**

11 A. U-Lifeline Wireless is a wholly owned subsidiary of Allied Wireless. U-Lifeline Wireless is a
12 facilities-based telecommunications provider and seeks ETC status to serve Lifeline-eligible
13 customers in South Carolina. The designation of U-Lifeline Wireless as an ETC will serve the
14 public interest by providing eligible Lifeline customers a viable alternative to the rate plans and
15 customer experience that is currently available to Lifeline-qualifying customers in South
16 Carolina. U-Lifeline Wireless' entry into the Lifeline marketplace will also create competitive
17 pressure on certain Lifeline service providers in South Carolina to offer more competitive service
18 offerings and better quality of service.

19 **Q. WHAT IS U-LIFELINE WIRELESS' RELATIONSHIP TO ALLTEL WIRELESS?**

20 A. U-Lifeline Wireless's parent company, Allied Wireless, acquired the former Alltel Wireless
21 properties from Verizon Wireless and has secured the rights to continue using the Alltel Wireless
22 brand name in the acquired areas. Allied Wireless, therefore, currently provides wireless service
23 under the name Alltel Wireless in the state of South Carolina. U-Lifeline Wireless was specifically
24 created to offer Lifeline service to qualifying South Carolina customers.

1 **Q. DOES THE SOUTH CAROLINA PUBLIC SERVICE COMMISSION HAVE JURISDICTION TO**
2 **DESIGNATE U-LIFELINE WIRELESS AS AN ETC?**

3 A. Yes. Section 214(e)(2) of the Communications Act authorizes state commissions, such as the
4 South Carolina Public Service Commission, to designate ETC status for federal universal service
5 purposes. Section 103-690 of the S.C. Code Reg. permits the Commission to designate common
6 carriers as ETCs and, in part, establishes the requirements that an applicant must meet in order
7 to be designated an ETC. Therefore, the Commission has the authority and the primary
8 responsibility under federal law to designate U-Lifeline Wireless as an ETC for federal Universal
9 Service Fund purposes.

10 **Q. PLEASE DESCRIBE U-LIFELINE WIRELESS' SERVICE OFFERING**

11 A. U-Lifeline Wireless plans to offer 30 days of Lifeline wireless service for \$10.00. Service may be
12 renewed at the end of each 30 day period for an additional 30 days. The Lifeline service offering
13 includes 500 anytime minutes, 500 text messages and unlimited calling to other U-Lifeline
14 Wireless and Alltel Wireless customers. The Lifeline service offering offers a large local calling
15 area with no toll charges for domestic nationwide calling. The key points of the Lifeline service
16 offering are summarized below:

| | | |
|----|----------------------------------|--|
| 17 | Monthly Access Fee | \$29.99 |
| 18 | Minimum Lifeline Credit | (\$9.25) ¹ |
| 19 | Maximum Monthly Cost to customer | \$10.00 |
| 20 | Anytime minutes included | 500 |
| 21 | Text messages included | 500 |
| 22 | Unlimited calling | Free to U-Lifeline and Alltel Wireless customers |
| 23 | Nationwide local calling | No toll charges |
| 24 | Additional Anytime Minutes | \$0.10 per minute |
| 25 | Roaming Charges | \$0.59 per minute |
| 26 | | |

27 ¹ U-Lifeline Wireless offers a monthly discount of \$19.99 to its Lifeline customers. Therefore, U-
28 Lifeline Wireless' offering will be compliant with the minimum Lifeline credit whether it is \$9.25,
29 \$10.00 or \$13.50.

1 **Q. WHAT ARE THE REQUIREMENTS FOR DESIGNATION AS A LIFELINE ONLY ETC?**

2 A. To be designated an ETC for purposes of receiving “Lifeline support” from the federal universal
3 service fund, an applicant must:

4 (1) be a common carrier, as defined by 47 U.S.C. § 153(10);

5 (2) offer throughout its proposed service areas the supported services set forth in 47 C.F.R. §
6 54.101(a) either by using its own facilities or a combination of its own facilities and the resale of
7 another carrier’s services;

8 (3) advertise the supported services throughout the designated service area; and

9 (4) demonstrate that it is financially and technically capable of providing the Lifeline service in
10 compliance with 47 C.F.R. § 54.202(a)(4).

11 **Q. IS U-LIFELINE WIRELESS A COMMON CARRIER AS DEFINED BY 47 U.S.C. § 153(10)?**

12 A. Yes. U-Lifeline Wireless is regulated as a common carrier in connection with its provision of
13 Commercial Mobile Radio Service (“CMRS”). Therefore, U-Lifeline Wireless certifies that it is a
14 common carrier under 47 U.S.C. § 214(e)(1) for purposes of ETC designation.

15 **Q. DOES U-LIFELINE WIRELESS OFFER THE SUPPORTED SERVICES SET FORTH IN 47 C.F.R. §**
16 **54.101(a) EITHER BY USING ITS OWN FACILITIES OR A COMBINATION OF ITS OWN FACILITIES**
17 **AND THE RESALE OF ANOTHER CARRIER’S SERVICES?**

18 A. Yes. U-Lifeline Wireless offers all of the services supported by the Federal universal support
19 mechanisms, as set forth in 47 C.F.R. § 54.101(a), using its facilities and will offer such services
20 through a combination of its own facilities and resale of another carrier’s service, if necessary.

21 Specifically, U-Lifeline Wireless offers:

22 (i) voice telephony services, including voice grade access to the public switched network or its
23 functional equivalent;

24 (ii) minutes of use for local service provided at no additional charges to end users;
25

(iii) access to emergency services provided by local governments or other public safety organizations, such as 911 and enhanced 911, to the extent local governments in U-Lifeline Wireless' designated service area have implemented 911 and enhanced 911 systems; and (iv) toll limitation services to qualifying low-income consumers upon designation as an ETC.

Q. PLEASE DESCRIBE HOW U-LIFELINE WIRELESS PROVIDES THE SUPPORTED SERVICES?

A. Voice-Grade Access to the Public Switched Telephone Network

U-Lifeline Wireless offers customers voice telephony services, including voice grade access to the public switched network. U-Lifeline Wireless is able to originate and terminate telephone calls for all of its subscribers. Accordingly, all customers of U-Lifeline Wireless are able to make and receive phone calls, and thus, U-Lifeline Wireless meets the requirement regarding voice grade access to the PSTN.

Local Usage

U-Lifeline Wireless' service in South Carolina will include local usage that allows customers to originate and terminate calls within a local calling area without additional charge to end users. To date, the FCC has not quantified any minimum amount of local usage required to be included in a universal service offering. U-Lifeline Wireless will comply with any and all minimum local usage requirements the FCC may adopt with respect to Lifeline service offerings. Therefore, U-Lifeline Wireless satisfies the local usage criterion for ETC designation.

Access to Emergency Service

The ability to access emergency services provided by a local government or other public safety organization, such as 911 and enhanced 911, to the extent that the local government in an eligible telecommunications carrier's service area has implemented 911 or enhanced 911 systems, is a required universal service offering. U-Lifeline Wireless customers will be able to

1 reach an emergency dispatch, or public safety answering point ("PSAP"), by dialing "911." Upon
2 dialing "911," the customer's emergency call will be routed to the appropriate PSAP.

3 The FCC requires that a carrier must provide access to enhanced 911 ("E911"), which includes
4 the capability of providing both automatic numbering information ("ANI") and automatic
5 location information ("ALI"), when a PSAP submits a compliant request to the carrier.

6 U-Lifeline Wireless provides its customers with access to emergency services by dialing 911 in
7 accordance with this requirement throughout its ETC requested area. U-Lifeline Wireless also
8 delivers both ANI and ALI to PSAPs that are capable of both receiving and utilizing the data and
9 that have made arrangements for the delivery of the data. All of the phones that U-Lifeline
10 Wireless will distribute to subscribers will be capable of delivering automatic numbering
11 information ("ANI") and automatic location information ("ALI"), and otherwise satisfy applicable
12 enhanced-911 requirements. Therefore, U-Lifeline Wireless meets the requirement of access to
13 emergency service.

14 **Toll Limitation for Qualifying Low-Income Customers**

15 U-Lifeline Wireless will offer toll limitation services, which can be in the form of "toll control" or
16 "toll blocking" services to Lifeline customers at no charge. Toll blocking allows customers to
17 block the completion of outgoing toll calls. Toll control allows the customer to limit the toll
18 charges a subscriber can incur during a billing period. U-Lifeline Wireless is capable of offering
19 toll limitation services to Lifeline customers at no charge.

20 **Q. ARE THERE ADDITIONAL ELIGIBILITY CRITERIA THAT AN APPLICANT MUST SATISFY TO BE**
21 **DESIGATED AN ETC?**

22
23 **A.** Yes. There are additional eligibility criteria established by both the Commission and the FCC.

1 Q. DOES U-LIFELINE WIRELESS MEET THE ADDITIONAL ELIGIBILITY CRITERIA ESTABLISHED IN THE
2 COMMISSION AND FCC'S REGULATIONS?

3
4 A. Yes. U-Lifeline Wireless will comply with all additional ETC requirements set forth in Section 103-
5 690 of the S.C. Code Reg. and Section 54.201 of the FCC's rules, as recently modified by the FCC
6 in its *Lifeline Reform Order*.

7 Q. PLEASE DESCRIBE HOW WILL U-LIFELINE WIRELESS WILL SATISFY EACH OF THE ADDITIONAL
8 ELIGIBILITY CRITERIA.

9
10 A. A commitment to provide service (S.C. Code Reg. § 103.690C (a)(1)(A))

11 U-Lifeline Wireless offers, or will be able to offer, all of the services designated for support by
12 the FCC throughout the areas in which U-Lifeline Wireless is requesting designation as a Lifeline-
13 only ETC to all customers making a reasonable request for service.

14 Upon designation as an ETC, U-Lifeline Wireless will:

- 15 1. provide service on a timely basis to requesting customers within the company's designated
16 service area where the Company's network already passes the potential customer's
17 premises; and
- 18 2. provide service within a reasonable period of time, if the potential customer is within the
19 company's designated service area, but outside its existing network coverage, if service can
20 be provided at reasonable cost, by:
 - 21 a. modifying or replacing the requesting customer's equipment;
 - 22 b. deploying a roof-mounted antenna or other equipment;
 - 23 c. adjusting the nearest cell tower;
 - 24 d. adjusting network or customer facilities;
 - 25 e. reselling services from another carrier's facilities to provide service; or
 - 26 f. Employing, leasing or constructing an additional cell site, cell extender, repeater, or other
27 similar equipment.

1 **Advertising and Outreach Programs (S.C. Code Reg. § 103.690C(a)(1)(C))**

2 U-Lifeline Wireless will advertise the availability of and the charges for its Lifeline offerings using
3 media of general distribution. U-Lifeline Wireless will also undertake outreach initiatives to
4 increase customer awareness of its Lifeline offerings throughout its ETC designated area. U-
5 Lifeline Wireless will advertise its Lifeline offerings and the charges for such offerings using print
6 media, the Internet, targeted mailings, local community events, retail stores and/or agent
7 locations.

8 **Ability to Remain Functional in Emergency Situations (S.C. Code Reg. § 103.690C(a)(2)**

9 U-Lifeline Wireless is able to remain functional in emergency situations. The Company's
10 network is designed to remain functional in emergency situations. Specifically, U-Lifeline
11 Wireless: (1) has adequate amounts of back-up power to ensure functionality without an
12 external power source; (2) is able to reroute traffic around damaged facilities; and (3) is capable
13 of managing traffic spikes resulting from emergency situations.

14 U-Lifeline Wireless' system is reinforced by the presence of generator backups, capable of
15 running for extended periods in the event of a major electrical outage. These include back-up
16 batteries that provide at least four hours of back-up power and portable generators can be
17 moved to individual cell sites, as needed. Because individual cell sites are spread out, it is highly
18 unlikely that an electrical outage would affect more than two sites simultaneously. In the event
19 of power or other types of failure, the cell sites are equipped with alarms that will alert the
20 Company's technicians. Additionally, the sites are monitored remotely by U-Lifeline Wireless'
21 24/7 Network Operations Center (NOC), should there be a total communications failure at the
22 site.

23 U-Lifeline Wireless' main switch connectivity to the public switched voice network will be based
24 on a ring topology and is redundant – if the ring is cut, call traffic can be re-routed. U-Lifeline

1 Wireless uses both microwave and leased lines for added diversity to cell site hubs. Backbone
2 traffic lines are designed with sufficient capacity to manage extraordinary spikes. The Company
3 has multiple agreements with long distance providers to absorb excess calling, if needed. U-
4 Lifeline Wireless has cell sites on wheels, mobile towers, and mobile generators available for
5 deployment to areas where there are traffic spikes due to emergencies or special events.

6 All cell sites are remotely monitored by U-Lifeline Wireless' NOC to ensure continuous
7 operation. Operational measurement data is also routinely collected and reviewed to identify
8 off-normal conditions. In the event of a failure, the NOC will take action to restore service,
9 reroute traffic around damaged facilities and/or dispatch appropriate personnel to remedy the
10 trouble. Response time to an outage report is normally less than 60 minutes. In addition, all cell
11 sites are periodically visited by field operations personnel to conduct preventative maintenance
12 and routine testing of the cell site components.

13 In accordance with S.C. Code Reg. § 103-690.1B(b)(6), U-Lifeline Wireless hereby certifies, and
14 will annually certify, that it is able to function in emergency situations.

15 **Consumer Protection and Service Quality Standards (S.C. Code Reg. § 103.690C(a)(3))**

16 S.C. Code Reg. § 103-690C(a)(3) states that an ETC applicant must demonstrate that it will satisfy
17 applicable consumer protection and service quality standards. The Commission and the FCC
18 have determined that a commitment by wireless applicants to comply with the Consumer Code
19 for Wireless Service adopted by CTIA—The Wireless Association satisfies this requirement. U-
20 Lifeline Wireless will comply with the Consumer Code for Wireless Service. Further, U-Lifeline
21 Wireless will, on an annual basis, certify its compliance with the CTIA Consumer Code and report
22 the number of customer complaints or trouble reports per thousand handsets or access lines.

1 **Comparable Local Usage Plan (S.C. Code Reg. § 103-690C(a)(4))**

2 U-Lifeline Wireless is committed to offering a local usage plan comparable to the one offered by
3 the incumbent LECs in its proposed ETC designated service area. U-Lifeline Wireless' service
4 offering is within the scope of "comparability" as defined by the FCC in its March 17, 2005
5 Report and Order. U-Lifeline Wireless commits to offering a local usage plan comparable to that
6 offered by the incumbent LECs within its ETC designated service area in accordance with the
7 Commission's requirement.

8 **Equal Access (S.C. Code Reg. § 103-690C(a)(5))**

9 U-Lifeline Wireless acknowledges that the FCC may require the Company to provide equal
10 access to long distance carriers in the event that no other eligible telecommunications carrier is
11 providing equal access within the service area.

12 **Own Facilities (S.C. Code Reg. § 103-690C(a)(6))**

13 U-Lifeline Wireless will offer the services that are supported by the federal universal service
14 support mechanisms by using its own facilities, or a combination of its own facilities and resale
15 of another carrier's services.

16 U-Lifeline Wireless will provide the supported services under Section 214(e)(1)(A) of the
17 Communications Act, Section 54.101 of the FCC's Rules, and pursuant to Commission rules: (1)
18 by using U-Lifeline Wireless' existing cellular network infrastructure, which consists of switching,
19 trunking, cell sites, and network equipment, together with any expansions and enhancements to
20 that network; and (2) as necessary, through the resale of another carrier's service or through
21 roaming arrangements.

22 **Advertise in a Media of General Distribution (S.C. Code Reg. § 103-690C(a)(7))**

23 U-Lifeline Wireless will advertise the availability of and the charges for its Lifeline offerings using
24 media of general distribution. As noted earlier, U-Lifeline Wireless will advertise its Lifeline

offerings and the charges for such offerings using print media, radio, television, the Internet, targeted mailings, local community events, retail stores and/or agent locations.

Further, consistent with the FCC's Rules, as modified by the *Lifeline Reform Order*, U-Lifeline Wireless also commits to indicate (using easily understood language) on all print and web materials used to describe Lifeline service, including the Applications and certification forms, that the service is a government assistance program, the service is not transferable, that only eligible consumers may enroll in the program and that the program is limited to one discount per household.

Q. DOES U-LIFELINE WIRELESS HAVE THE FINANCIAL AND TECHNICAL CAPABILITY TO PROVIDE LIFELINE SERVICE IN COMPLIANCE WITH 54.202(A)(4)?

A. U-Lifeline Wireless has the financial and technical qualifications to provide the Lifeline service. U-Lifeline Wireless is a wholly owned subsidiary of Allied Wireless that is a wireless telecommunications provider based in Little Rock, Arkansas that serves more than 800,000 subscribers in six states – Georgia, North Carolina, South Carolina, Illinois, Ohio and Idaho. It has been in operation since 2010. Allied Wireless is a subsidiary of Atlantic Tele-Network, Inc. ("ATNI"), a Massachusetts-based telecommunications company operating advanced wireless, wireline, and both terrestrial and submarine fiber optic networks in North America and the Caribbean. ATNI is a public corporation traded on the NASDAQ stock exchange and has a market capitalization of almost \$600 million.

1 In light of its corporate relationship with AWCC and ATNI, U-Lifeline Wireless will have the
2 financial and technical resources necessary to provide its Lifeline services in South Carolina. U-
3 Lifeline Wireless does not intend to rely exclusively on USF support to operate.

4 U-Lifeline Wireless has not been subject to any enforcement action at the FCC or in any state.
5 No ETC designations held by U-Lifeline Wireless have been rescinded, revoked or terminated by
6 the FCC or by any state

7 **Q. PLEASE DESCRIBE HOW U-LIFELINE WIRELESS WILL DETERMINE A POTENTIAL CUSTOMER'S**
8 **ELIGIBILITY.**

9 A. U-Lifeline Wireless requires a prospective customer to provide documentation verifying
10 eligibility to participate in a qualifying program or documentation of income based qualification
11 to support his/her application. U-Lifeline Wireless will check the eligibility of low-income
12 consumers seeking to enroll in Lifeline either by accessing electronic eligibility databases, where
13 available, or by reviewing documentation from the consumer demonstrating his/her eligibility
14 for Lifeline service. Where the Company is able to access a state or federal database to make
15 determinations about customer eligibility, the Company is not required to obtain proof of
16 documentation; in such case the Company or its representative will note in its records what
17 specific data was relied upon to confirm the customer's initial eligibility for Lifeline.

18 Consumers who do not complete the application process in person must return the signed
19 application and support documentation to the Company by mail, fax, email or other electronic
20 transmission. The Company will accept electronic signatures that meet the requirements of the
21 Electronic Signatures in Global and National Commerce Act, 15 U.S.C. §§ 7001-7006, and any
22 applicable state laws, and may verify consumers' signatures via interactive voice response (IVR)
23 systems. Processing of consumers' applications, including review of all application forms and

relevant documentation, will be performed under the Company's supervision by personnel trained in the administration of the Lifeline program. The Company will ensure that all required documentation is reviewed and handled properly by using state-specific compliance checklists.

Q. PLEASE DESCRIBE HOW U-LIFELINE WIRELESS' CURRENT PROCESS WILL RELATE TO THE PROPOSED NATIONAL DATABASE.

A. The application form to be used by U-Lifeline Wireless requires each applicant to provide the following information:

- Name
- Primary residential address – and whether the address is a permanent address
- Billing address (if this differs from the residential address)
- Last four digits of social security number
- Birth date

After the National Database is established, U-Lifeline Wireless will provide the above information to the database, together with the following additional information:

- Telephone number (for Lifeline handset)
- Date of service initiation
- Date of de-enrollment (if applicable)
- Means by which the subscriber qualified for support
- Amount of Lifeline support received by the subscriber each month

Q. PLEASE DESCRIBE HOW U-LIFELINE WIRELESS WILL ENSURE THAT EACH HOUSEHOLD RECEIVES ONLY ONE LIFELINE SUBSIDY.

Prior to reporting a Lifeline subscriber for subsidy purposes, the Company will check the address of each Lifeline applicant against its database to determine whether or not it is associated with a customer that already receives U-Lifeline Wireless' Lifeline service, and will then review the application to ascertain whether the applicant is attempting to receive Lifeline-supported service for more than one handset associated with its household. If the Company determines that an individual at the applicant's residential address is currently receiving Lifeline-supported service, the Company will take an additional step to ensure that the applicant and the current

1 subscriber are part of different households. In order to make this determination, U-Lifeline
2 Wireless will require applicants to complete and submit the "Lifeline Household Worksheet"
3 developed by the Universal Service Administration Company ("USAC"). U-Lifeline Wireless will
4 deny the Lifeline application of any individual residing at the same address as a current Lifeline
5 subscriber who is part of the same household, and will advise the applicant of the basis for the
6 denial.

7 **Q. PLEASE DESCRIBE HOW U-LIFELINE WIRELESS WILL TREAT CUSTOMERS THAT PROVIDE A**
8 **TEMPORARY ADDRESS.**

9 A. If a subscriber provides U-Lifeline Wireless with a temporary address, the Company will verify
10 with the subscriber every 90 days that this address remains valid. If the subscriber fails to
11 respond to the Company within 30 days, the subscriber will be de-enrolled from the Lifeline
12 program.

13 **Q. DOES U-LIFELINE WIRELESS INTEND TO RE-CERTIFY THE ELIGIBILITY OF ITS CUSTOMERS?**

14 A. U-Lifeline Wireless commits to annually re-certify all subscribers in accordance with S.C. Code
15 Reg. 103-690.1E(a)(4) and 47 C.F.R. § 54.410(f) of the FCC Rules, as recently modified by the FCC
16 in its *Lifeline Reform Order*. U-Lifeline Wireless will provide the results of its annual re-
17 certification efforts pursuant to the Commission's Rules. In addition, by the end of 2012, U-
18 Lifeline Wireless will re-certify the eligibility of all of its Lifeline subscribers as of June 1, 2012
19 and report the results to USAC by January 31, 2013. The Company will undertake this re-
20 certification on a rolling basis throughout the year. Furthermore, U-Lifeline Wireless commits to
21 submit an annual certification confirming the existence of policies and procedures to confirm
22 consumer eligibility and the Company's compliance with such policies and procedures.

1 **Q. PLEASE DESCRIBE HOW U-LIFELINE WIRELESS WILL TREAT CUSTOMERS THAT ARE FOUND TO**
2 **BE NO LONGER ELIGIBLE FOR LIFELINE BENEFITS.**

3 Consistent with the requirements in Section 54.405(e) of the FCC Rules, as recently modified by
4 the FCC in its *Lifeline Reform Order*, U-Lifeline Wireless will terminate Lifeline benefits to any
5 customer that does not demonstrate continued eligibility within 30 days following the date of an
6 impending termination letter. U-Lifeline Wireless will provide impending termination letters to:
7 (a) any customer that fails to demonstrate their continued eligibility as part of the Company's
8 annual re-certification efforts; (b) any customer the Company believes, on a reasonable basis,
9 no longer qualifies for the service under the eligibility criteria identified in the FCC Rules; or (c)
10 any customer that has no usage for 60 consecutive days, as described in more detail below.

11 U-Lifeline Wireless will also terminate (within five business days) Lifeline benefits to any
12 customer or household the Company has been notified to be receiving Lifeline benefits from
13 more than one carrier.

14 **Q. PLEASE DESCRIBE ANY ADDITIONAL MEASURES U-LIFELINE WIRELESS WILL IMPLEMENT TO**
15 **PREVENT WASTE, FRAUD AND ABUSE.**

16 **Non-usage Policy**

17 U-Lifeline Wireless will implement a non-usage policy whereby it will de-enroll Lifeline
18 customers that have not used the Company's Lifeline service for 60 consecutive days. U-Lifeline
19 Wireless will notify its subscribers at service initiation about the usage requirements and the de-
20 enrollment and deactivation that will result following non-usage in any consecutive 60-day
21 period of time. If no usage appears on a U-Lifeline Wireless Lifeline customer's account during
22 any consecutive 60-day period, U-Lifeline Wireless will deactivate Lifeline services for that
23 customer. An account will be considered active if during any 60-day period the authorized
24 subscriber does at least one of the following: makes a monthly payment; purchases minutes
25 from the Company to add to his or her existing pre-paid Lifeline account; completes an

1 outbound call; answers an incoming call from anyone other than the Company, its
2 representative, or agent; or affirmatively responds to a direct contact from the Company
3 confirming that he or she wants to continue Lifeline service.

4 **Customer Education with Respect to Duplicates**

5 To supplement its verification and certification procedures, and to better ensure that customers
6 understand the Lifeline service restrictions with respect to duplicates, U-Lifeline Wireless will
7 implement measures and procedures to prevent duplicate Lifeline benefits being awarded to
8 the same household. These measures entail additional emphasis in written disclosures as well
9 as live due diligence, and will help ensure that only eligible consumers enroll in the program and
10 that those consumers are fully informed of the rules and requirements of the program.

11 In its marketing materials, including application forms, on its web site, and in its direct contact
12 with applicants, the Company will emphasize in plain, easily comprehensible language that: (1)
13 Lifeline is a federal benefit; (2) Lifeline service is available for only one line per household; (3) a
14 household is defined, for purposes of the Lifeline program, as any individual or group of
15 individuals who are living together at the same address and share income and expenses; and (4)
16 a household is not permitted to receive Lifeline benefits from multiple providers.

17 **Q. PLEASE IDENTIFY THE AREA IN WHICH U-LIFELINE WIRELESS SEEKS DESIGNATION AS AN ETC?**

18 U-Lifeline Wireless, in its capacity as a provider of cellular services, is not a "rural telephone
19 company" as that term is defined in Section 3(37) of the Act. Accordingly, U-Lifeline Wireless is
20 required to describe the geographic area in which it requests designation. In this Application, U-
21 Lifeline Wireless requests ETC designation in certain rural telephone company study areas and
22 non-rural telephone company wire centers in South Carolina which are identified in Exhibit 1
23 attached to this Testimony.

1 Pursuant to Section 54.207 of the FCC's Rules, a "service area" is a "geographic area established
2 by a state commission for the purpose of determining universal service obligations and support
3 mechanisms." In an area served by a rural telephone company, the FCC's rules define "service
4 area" to mean the LEC study area unless a different definition of service area is established for
5 such company. U-Lifeline Wireless is not requesting that the Commission redefine the study
6 area requirement in this Application. Because U-Lifeline Wireless is committing to serve the
7 rural telephone company study areas, identified in this Application in their entirety, the
8 Commission may designate U-Lifeline Wireless as an ETC in the study areas identified in this
9 Application upon finding that such a designation is in the public interest.

10 **Q. HOW DOES THE DESIGNATION OF U-LIFELINE WIRELESS AS AN ETC SERVE THE PUBLIC**
11 **INTEREST?**

12 A. One of the principal goals of the Communications Act, as amended by the Telecommunications
13 Act of 1996, is "to secure lower prices and higher quality services for American
14 telecommunications consumers and encourage the rapid deployment of new
15 telecommunications technologies" to all citizens, regardless of geographic location or income.
16 The designation of U-Lifeline Wireless as a Lifeline-only ETC in South Carolina will further the
17 public interest -- through increased consumer choices and by providing South Carolina
18 consumers, especially low-income consumers, with lower prices and higher quality services.

19 Many low-income customers in South Carolina have yet to reap the full benefits of the intensely
20 competitive wireless market. Because of financial constraints, poor credit history or
21 intermittent employment, these consumers often lack the countless choices available to most
22 consumers.

1 U-Lifeline Wireless' request for ETC designation, therefore, must be examined in light of the
2 Communications Act's goal of providing low-income consumers with greater access to
3 telecommunications services. The primary purpose of universal service is to ensure that
4 consumers, particularly low-income consumers, receive affordable and comparable
5 telecommunications services. Designating U-Lifeline Wireless as an ETC would fulfill this purpose
6 by significantly benefiting low-income consumers eligible for Lifeline services in South Carolina.

7 The designation of U-Lifeline Wireless as a Lifeline-only ETC in South Carolina would enable the
8 Company to offer more appealing and affordable service offerings to qualifying South
9 Carolinians to ensure that they are able to afford wireless services on a consistent and
10 uninterrupted basis. Without question, prepaid wireless services have become essential for low-
11 income customers, providing them with better value, access to emergency services on wireless
12 devices, and a reliable means of contact for prospective employers, social service agencies or
13 dependents. Providing U-Lifeline Wireless with the authority necessary to offer discounted
14 Lifeline services to those most in danger of losing wireless service altogether, or to those who
15 have never experienced the unique benefits and advantages of wireless service, undoubtedly
16 promotes the public interest.

17 **Q. DOES THE COMMISSION NEED TO POSTPONE ITS CONSIDERATION OF THIS APPLICATION**
18 **UNTIL IT CONSIDERS WHETHER TO ADOPT ANY NEW REGULATIONS CONSISTENT WITH THE**
19 **RECENT FCC LIFELINE REFORM ORDER?**

20 A. No. U-Lifeline Wireless has committed to comply with any new regulation the Commission
21 adopts that is consistent with the new regulations identified in the recent FCC Lifeline Reform
22 Order.

23 **Q. DOES THAT CONCLUDE YOUR TESTIMONY?**

24 A. Yes. Thank you.